

Date – 17 April 2025

Rec Price: 564

Finkhoz Rating: 8.9/10

Guidance : Accumulate

### About the company:

Gabriel India Ltd, part of the ANAND Group, is a leading manufacturer of over 500 ride control products—shock absorbers, struts, and front forks—serving all automotive segments. It holds strong market positions: **32%** in 2/3 wheelers, **24%** in passenger vehicles (**35%** in utility vehicles), **89%** in commercial vehicles & railways, and **40%** in the aftermarket. With a presence across OEMs, aftermarket, and exports, Gabriel is also the first indigenous player to develop dampers for Rajdhani, Shatabdi, and Vande Bharat coaches..

Gabriel India serves Top OEMs including Bajaj, Mahindra, Honda, Maruti Suzuki, Royal Enfield, Ashok Leyland, and Indian Railways. Its top customer contributes 24% of revenue, while the top 5 customers together account for ~56%.

### Company Guidance:

#### Standalone Business Margins-

Gabriel India expects short-term margin pressure from the MMAS (Marelli Motherson) asset acquisition but targets double-digit standalone EBITDA margins by FY26.

#### Sunroof Business Guidance-

Gabriel India targets ₹800–1,000 crore revenue from its sunroof business over the next 5 years and remains on track to meet FY25 revenue goals. Despite one-off costs impacting Q3 FY25 margins, management expects sustainable EBITDA margins of 12–14%, normalizing from the unusually high margins reported of ₹400 crore in Q2 FY25.

#### New Order Wins-

Gabriel India has secured new business from TVS across CNG, EV 4-wheeler, and electric 3-wheeler segments, along with fresh orders for Yamaha scooters and expanded programs with Bajaj. In the sunroof segment, volumes are ramping up for Syros and Creta EV models, with active discussions underway with three additional OEMs—though formal LOIs are yet to be signed.

### Capex & Capacity Expansion:

#### MMAS Acquisition:

Gabriel India may need to expand capacity in the gas damper segment, which is currently running near full utilization. In contrast, shock absorber and strut lines are operating at 55–60% utilization. Future CAPEX will depend on the scale of synergistic programs that can be integrated.

#### Sunroof Capacity Expansion:

Gabriel is set to double its sunroof manufacturing capacity to 3.6 Lakh from 1.8 lakh units annually by end-CY25 (or earlier), backed by a strong order book and rising customer demand.

### Expert View:

Gabriel India is poised for long-term growth, driven by the MMAS acquisition, expanding sunroof capacity, strong order wins, and rising EV and e-bike demand. Despite short-term margin pressure, management remains focused on exports, innovation, and sustained value creation.

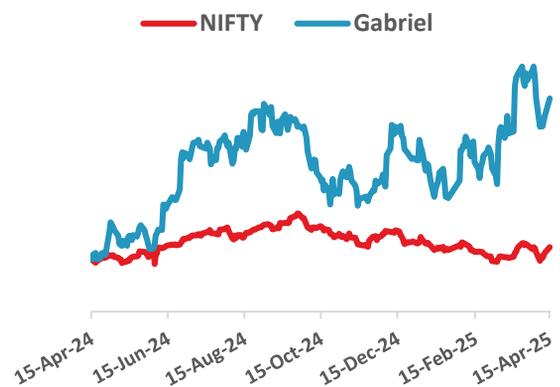
### Company Data

Market cap (INR crs)	: 8079 (₹)
Segment	: Auto Parts
52 Weeks H/L	: 610 / 335 (₹)
Institutional Change(%)	: 1.12%
Inst. Holding (till Mar-25)	: 19.91%
Annual Upside	: 26.65%

### Debt Metrics

Debt to Equity	: 0.01x
Interest Coverage	: 68.1x

Absolute Returns	Gabriel	Nifty
1 Year	61.71%	4.74%
3 Year	342.23%	33.39%
5 year	641.10%	151.54%



### Financial Performance

Sales 5 Yr CAGR (%)	: 23.38%
PAT 5 Yr CAGR (%)	: 38.12%
Latest Qty Sales Growth YoY	: 24.67%
Latest Qty Profit Growth YoY	: 45.72%
Operating Margin	: 9.93%

### Valuation Metrics

Stock PE	: 33.30x
Historic PE	: 26.81x
Segment PE	: 34.51x
EPS (INR)	: 34.51x

### Consensus Estimates

IN INR Cr	FY24	FY25E	FY26E
Revenue	3,343	3,928	4,499
YOY Growth %	12%	17%	15%
PAT	185	234	283
YOY Growth %	40%	26%	21%
EPS (IN INR)	12.89	16.05	20.00

### Exhibit 1: Finkhoz's Evaluation out of 10

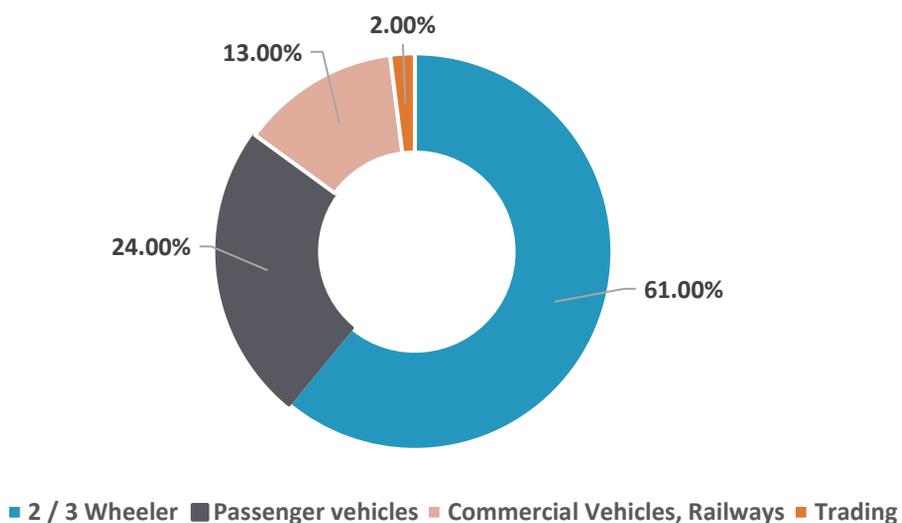


#### Analysis

Track record	Healthy
Valuation	Strong
Outlook	Strong
Reliability	Strong
Technical	Strong

As per the Finkhoz Rating, Gabriel holds a solid score of 8.9, suggesting it is a fundamentally strong stock worth accumulating. Even the current valuation metrics indicate a strong range, the company remains robust both fundamentally and technically.

### Exhibit 2: Product-wise Revenue distribution



#### Q3 FY25 Result Update:

Q3 FY25 Result Analysis- The company has reported Strong sales growth in its latest quarter which has increased by 13.51% over same quarter last year. However, it has registered Robust EPS growth of 22.72%, which is in-line with analyst estimates.

Gabriel India Ltd. reported a 14% YoY growth in standalone operating revenue, reaching ₹924 crores, driven by higher volumes in the two-wheeler and passenger vehicle segments. The PAT margin for the sunroof business was 6.7%. They target a sustainable EBITDA margin of 12% to 14% for the sunroof business.

Standalone Basis

Exhibit 3: Sales Growth Trend

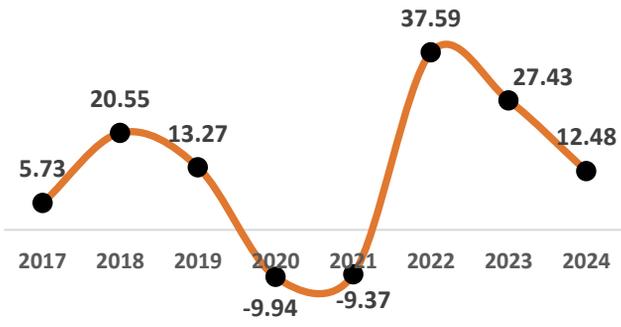


Exhibit 4: Net Profit growth Trend

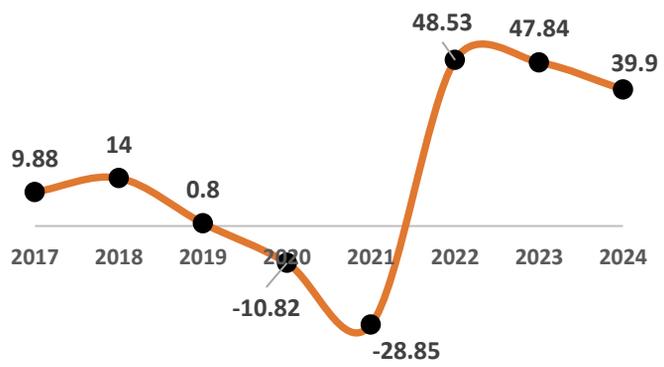


Exhibit 5: Debt to Equity Trend

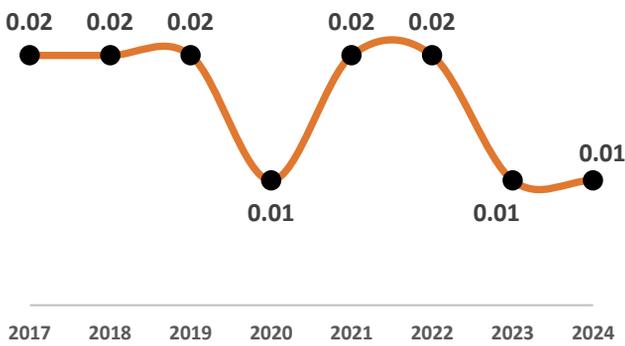


Exhibit 6: Price to earning trend

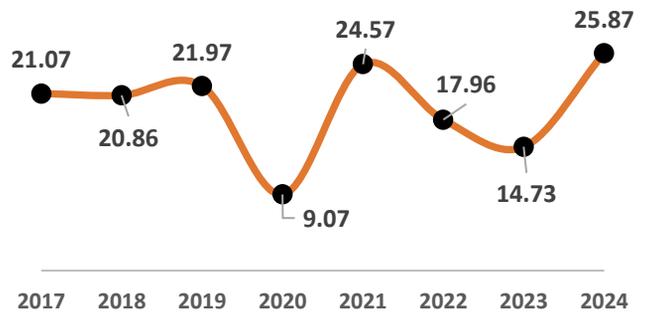


Exhibit 7: Dividend Yield Trend

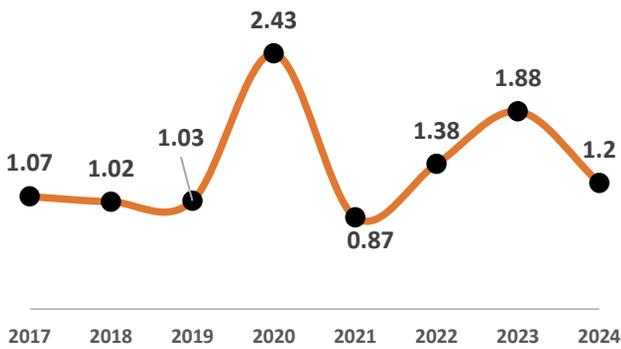


Exhibit 8: ROE Trend

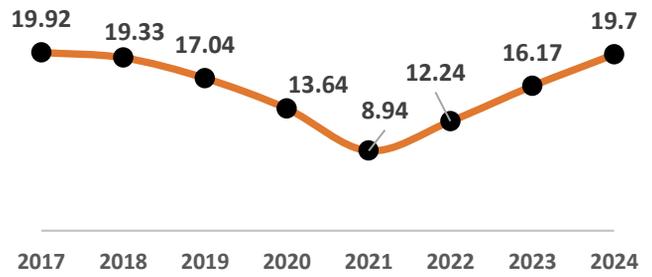


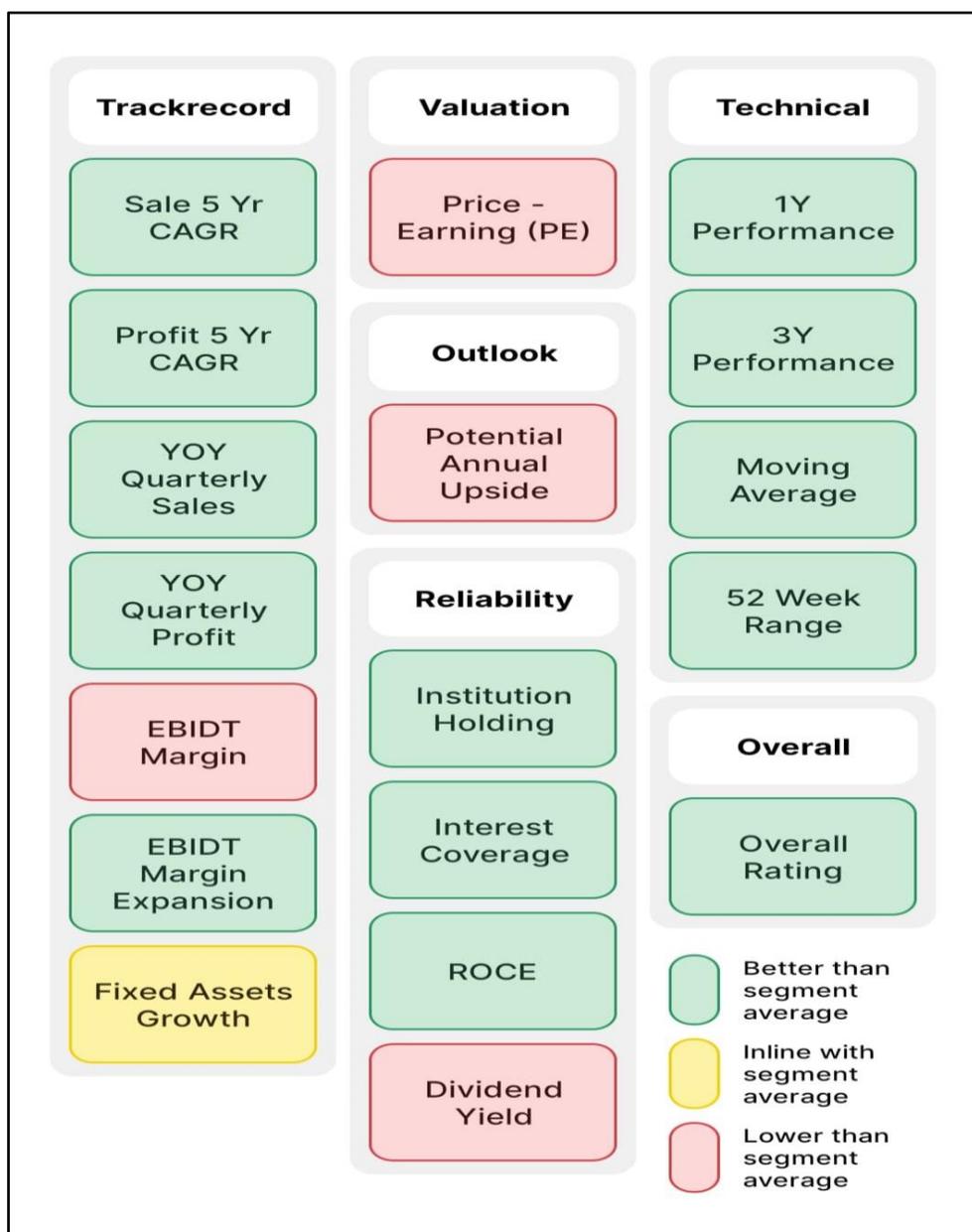
Exhibit 9: Shareholding Pattern



Exhibit 10: Share-holders with > 1%

MORE THAN 1%	% STAKE HOLDING
Asia Investments Private Limited	52.64%
Hdfc Mutual Fund - Hdfc Multi Cap Fund	9.80%
Deep C Anand	1.49%
Others	36.07%

### Exhibit 11: Performance compared to peers in the segment



### Top Peer Comparison: Performance & Valuation

Name	Market Cap (Rs. Cr.)	P/E (TTM)	MCAP/ Sales	ROCE (%)	ROE (%)	5Y CAGR (%)	Operating profit Growth (%)	Net Profit Growth (%)
Gabriel India Ltd.	8,079	35.18	1.43	26.52	19.71	23.38	39.99%	39.90%
Uno Minda	48,927	24.99	4.37	17.78	16.52	29.93	32.55%	26.57%
Samvardhana Motherson	90,311	21.90	8.77	3.72	2.98	19.3	31.43%	20.10%
Bosch	80,770	39.89	5.30	20.30	15.97	18.81	0.94%	-4.86%
JBM Auto	16,423	85.84	5.03	9.32	5.95	32.72	-21.45%	-50.00%
<b>Median</b>		<b>35.18</b>	<b>5.03</b>	<b>17.78</b>	<b>15.97</b>	<b>23.38</b>	<b>31.43%</b>	<b>20.10%</b>

- Gabriel trades at a much **lower P/S ratio** (1.43x vs. median 5.03x), making it undervalued relative to sales.
- Its **P/E** (35.18x) is **in line** with the median but justified given its superior growth and profitability.
- Gabriel India has the **highest ROCE** (26.52%) **and ROE** (19.71%), indicating best-in-class capital efficiency.
- Gabriel India has the **highest operating & net profit growth** (39.99% & 39.90%), far ahead of peers.

Gabriel India is the top pick in this peer set due to its best-in-class fundamentals, growth, and reasonable valuation.

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